

# The State of California CAL-Card Program

Approving  
Official  
GUIDE



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## Approving Official Guide

State of California  
CAL-Card Purchasing Card Program  
U.S. Bank® Government Services

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**Welcome** to CAL-Card, the State of California's purchasing card program. Through a State of California Master Service Agreement, U.S. Bank Government Services provides Visa® bankcard services. These instructions will guide you through your responsibilities as an Approving Official, in addition to those Cardholders who report to you. Please review this information carefully and contact your Agency Program Coordinator (APC) or U.S. Bank Government Services Customer Service at (800) 227-6736 if you have questions about the program. We look forward to working with you.



## The CAL-Card

The CAL-Card has been uniquely designed to appear different from personal credit cards. It is to be used for official business-related purchases only.

**The CAL-Card must not be used for personal purchases.**

## General Information

Unlike some forms of government payment, the CAL-Card Program has unique administrative responsibilities. It is very important that each person involved with the CAL-Card program knows and understands his or her responsibilities.

### ***The Contractor – U.S. Bank Government Services***

U.S. Bank Government Services is the contractor for the State of California's CAL-Card purchasing card program and manages payment systems for government purchasing card programs.

### ***Approving Official (AO)***

An Approving Official is a person in the agency/organization who approves Cardholder purchases, verifies that purchases are made only for official government use, and performs the following functions:

- Ensures CAL-Cards issued under their authority are properly utilized
- Reviews and certifies reconciled Cardholder Statements of Account, in accordance with agency/organization policies and procedures, to ensure receipts and documentation are in order
- Reconciles each Cardholder Statement of Account to the Approving Official Summary Report (R090)
- Ensures reconciled statements, associated charge slips/receipts and all appropriate documentation are received for each Cardholder account
- Ensures each Cardholder Statement of Account are accounted for and that the R090, with the Cardholder Statement of Account, are assembled and forwarded to the Designated Billing Office in a timely manner

### ***Agency Program Coordinator (APC)***

The Agency Program Coordinator is responsible for the agency's overall CAL-Card program administration and is the primary point of contact. The APC generally serves as the focal point for:

- Question resolution
- Contract administration
- Coordination of applications
- Issuance and destruction of cards
- Establishment and review of reports
- Administrative training (Cardholder, Approving Official, Designated Billing Office and Agency Program Coordinator)
- Cardholder and Approving Official program compliance

### ***The Designated Billing Official (DBO)***

The Designated Billing Office (DBO) is the office designated to receive and review the monthly/cycle invoice. The Designated Billing Office authorizes payment to U.S. Bank Government Services.

### ***Cardholders***

Cardholders are individuals employed by your agency who are issued CAL-Cards. Although accounts are issued in the individual's name, all charges incurred are the liability of the agency in accordance with the Master Service Agreement with U.S. Bank Government Services.

**NOTE: Communication within your agency and with U.S. Bank Government Services is a key factor in making your CAL-Card Program run smoothly.** You can make an important contribution to your program's success by ensuring your Agency Program Coordinator is always provided with a current listing of names, addresses, telephone numbers and other specific information for yourself and each of your Cardholders.



## CAL-Card Purchase Authorization

Since the state or local government agency pays for purchases made with the CAL-Card, additional authorization controls have been added to merchant authorizations. Visa requires merchants to obtain authorization for all purchases. Most merchants in the United States use a “Point-of-Sale” terminal that allows sales clerks to electronically transmit information to the card issuer for authorization.

When a merchant seeks authorization for a purchase, the U.S. Bank Government Services authorization system will check the purchase against specific spending limits established by the Cardholder’s agency. In addition, if the single or cumulative amount of transaction authorization requests in one business day is excessive, the Cardholder will be asked by the merchant to provide additional information and/or identification. This is called a “referral” and is a fraud prevention mechanism.

### *Cardholder Spending Limits*

The Agency Program Coordinator sets the maximum dollar amount for each single purchase (Single Purchase Limit) and a total for all purchases made with a CAL-Card within a given billing cycle (30-Day Limit). Each time a Cardholder makes a CAL-Card purchase, these limits are verified and authorized by U.S. Bank Government Services. If a single transaction or a 30-Day Limit is exceeded, the transaction will be declined.

Unique situations may arise where by a purchase exceeds a Cardholder’s established limits. The Cardholder must contact the Approving Official with such a request. The Approving Official must then contact the Agency Program Coordinator. The Approving Official and Agency Program Coordinator must follow your agency’s established guidelines for contacting U.S. Bank Government Services to temporarily increase a Cardholder’s spending limits. **The Agency Program Coordinator (APC) or an alternate APC are the only persons who can authorize changes to a Cardholder or Approving Official’s spending limit.**

## *Merchant Activity Type Codes*

Merchant Activity Type (MAT) codes designate the type of merchant where a Cardholder may use the CAL-Card. Each merchant is also identified as to its type of business by a Standard Industrial Classification (SIC) Code. Acceptable MAT codes are determined by the Approving Official and Agency Program Coordinator during the Cardholder account setup process. MAT codes are identified each time an authorization is requested.

The transaction authorization for a CAL-Card purchase will be approved only if the MAT code on the Cardholder’s file allows purchases for that particular type of merchant or business, and the transaction falls within the other account spending limits. MAT codes are defined in the material provided to your Agency Program Coordinator. MAT codes are specific to each card and may vary based on a Cardholder’s purchasing needs. If a MAT code has been blocked by your agency, the Cardholder’s transaction will be declined.

As with spending limits, Agency Program Coordinators have the authority to temporarily unblock a MAT code to accommodate a Cardholder’s unique purchasing situation. **Only your Agency Program Coordinator or an alternate APC can adjust the MAT code blocking.** The request to unblock a MAT code should be coordinated through the Cardholder’s Approving Official.

### *30-Day Office Limit*

The 30-Day Limits of all Cardholders assigned to you as an Approving Official are added together to determine your Office Limit. In some instances this amount represents a budget amount with no direct correlation to the Cardholder limits. The Office Limit provides you with a maximum budget total of expenditures for a 30-day period.

Each time a Cardholder makes a purchase with the CAL-Card, the authorization for that purchase is approved only if the amount is within your Office Limit. **To increase or reduce your Office Limit, the request must be made through your Agency Program Coordinator or an alternate APC.**



## Use of the CAL-Card

The CAL-Card is to be used for official business purchases only. Your agency provides each Cardholder with a standard set of instructions. Any questions your Cardholder has regarding his/her account or general purchasing card procedures may be answered by calling their APC or by calling U.S. Bank Government Services Customer Service at (800) 227-6736. This number is shown on the reverse side of the CAL-Card. U.S. Bank Government Services Customer Service Representatives have access to the Cardholder's purchasing card file.

Customer Service is available 24 hours-a-day, 7 days-a-week. Cardholders and other Approving Officials may also receive automated account information via touch-tone phone. The caller provides basic account identification information to receive available account balances, credit limits, and reprints of the Cardholder Statement of Account.

## Payment Procedures

After the Cardholder reconciliation and Approving Official verification process is complete, the Designated Billing Official pays the R060 Financial Summary (Monthly Invoice) which reflects a separate line item for each Cardholder Statement of Account. The R060 Financial Summary is mailed to your agency's Designated Billing Official (DBO). It is used to balance the totals of all R090 Approving Official Summary Reports and to make payment to U.S. Bank Government Services. Timely Cardholder Statement of Account reconciliation and Approving Official verification are essential to ensure your agency's ability to pay within the contracted time frame.

## Agency Suspension/Cancellation Process

Invoices not paid by the Designated Billing Official within 45 days from cycle date (in accordance with the terms of the contract) will subject the agency to late payment penalties or payment collection inquiries. U.S. Bank Government Services and the Department of General Services will contact the Agency Program Coordinator and the Designated Billing Official regarding overdue invoices. Cancellation of future CAL-Card usage may be enforced until all unpaid delinquent amounts have been paid. Your efforts to provide timely verification of your Cardholders' Statements of Account are important to ensure uninterrupted use of the CAL-Card. Invoices not paid within 60 days of cycle date will subject your account to suspension.

## Document Flow

U.S. Bank Government Services provides the following documents at the end of a billing cycle:

- Cardholder Statement of Account
- R090 Approving Official (AO) Summary
- R060 Financial Summary (the agency's official invoice)

## CARDHOLDER STATEMENT OF ACCOUNT

<b>usbank.</b>		
DEPARTMENT OF GENERAL SERVICES —		
GEORGE JONES (APC) 1111 1ST AVENUE BUILDING 1 VISALIA CA 93291-0000 USA	C/H ACT 4055017123456789 A/O ACT 4055017999999999 STATEMENT DATE 02 22 01 TOTAL 50.83	
CARDHOLDER: MARY SMITH DEPARTMENT OF GENERAL SERVICES 1234 12TH STREET ABC GOVERNMENT CENTER VISALIA CA 93291-0000	APPROVING OFFICIAL: ARLENE ROBERTS DEPARTMENT OF GENERAL SERVICES 1234 12TH STREET ABC GOVERNMENT CENTER VISALIA CA 93291-0000	
ACCOUNTING CODE		
CARDHOLDER'S E-MAIL: OFFICIAL'S E-MAIL:		
STATEMENT OF ACCOUNT STATE OF CALIFORNIA BANKCARD		
-----		
PURCHASE DATE/PROCESSING DATE REFERENCE NUMBER PURCHASE ID/CUSTOMER CODE CURRENCY CODE	MERCHANT NAME MERCHANT LOCATION/SIC CODE ORIGINAL AMOUNT CONV. RATE	AMOUNT
02/02/01 XV 02/03 24153388337200922421049 0092242104	VISALIA RADISSON VISALIA CA 7011 /0000000000000000	50.78 0.00
USD		
DESCRIPTION-- ACCTG. CODE-- 02/22/01*5G 02/22 99999		ADMINISTRATIVE FEE 0.0102 0.00
DESCRIPTION-- ACCTG. CODE--		
TOTAL		50.83
USER FIELD 2 TAX EXEMPT # QUARTERLY LIMIT: QUARTERLY BAL.:		PURCH LIMIT 1,000 30 DAY LIMIT 3,000 ANNUAL LIMIT: YTD BAL:
		50.83 0.00 50.83
I CERTIFY THAT ALL PURCHASES LISTED ON THIS STATEMENT, UNLESS ANNOTATED TO THE CONTRARY, ARE TRUE AND CORRECT AND WERE MADE FOR OFFICIAL PURPOSES. PAYMENT IS AUTHORIZED.		
THE FOLLOWING ITEMS ARE IN ERROR AND SHOULD BE REMOVED FROM THIS STMT.		
-----		
CARDHOLDER SIGNATURE	DATE	APPROVING OFFICIAL
_____	_____	_____

The Cardholder Statement of Account, which lists all Cardholder transactions processed in the previous 30 days, is mailed to each Cardholder. Each Cardholder must review the statement and verify information is correct, or identify "Questioned Items."

The R090 (example, page 4) is mailed directly to the Approving Official. It is a tool to help the Approving Official balance the total expenditures of all Cardholders in their group. The Cardholder Statements of Account are to be compared to the listing of Cardholders on the AO Summary Report to ensure that all Cardholders have submitted their Statement of Account. If a Cardholder has no spending activity for the cycle, the R090 will say "\$0".

As the Approving Official for a Cardholder group, you are responsible for the following:

- Receiving completed Cardholder Statements of Account from all Cardholders
- Matching those Statement of Accounts to the R090 Approving Official Summary you receive directly from U.S. Bank Government Services
- Reviewing all Cardholder Statements of Account and resolving questions you may have regarding purchases. As



# R090 APPROVING OFFICIAL SUMMARY

## TOTAL ACTIVITY FOR CARDHOLDER

USB R090 PROC 405501 CTR 405501  
 JOB: T2CDVSDI PV1016  
 LEVEL 1: 4055 LEVEL 2: 01 LEVEL 3: 99 LEVEL 4: 9999  
 CARDHOLDER ACCOUNT NUMBER: 4055019999991234  
 CARDHOLDER NAME: GARY HEFNER  
 ACCOUNTING CODE: 4567 9876

I.M.P.A.C. DETAIL INVOICE AND  
 A/O SUMMARY

DATE: 04/22/01 PAGE  
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PURCH DATE	PROC DATE	SRC	REFERENCE	MERCHANT NAME	MERCHANT LOCATION
04-01-01	04-02-01	DV	64091088774	ABC BUSINESS PRODUCTS	LOS ANGELES CA
CONV RATE	COUNTRY CODE	FOREIGN AMOUNT	PURCHASE AMOUNT (\$)	PURCHASE ID	CUSTOMER CODE
0.0000		0.00	\$1752.46		
PURCH DATE	PROC DATE	SRC	REFERENCE	MERCHANT NAME	MERCHANT LOCATION
04-12-01	04-13-01	DV	64309127332	ABC SUPPLY CTR	ALTURAS CA
CONV RATE	COUNTRY CODE	FOREIGN AMOUNT	PURCHASE AMOUNT (\$)	PURCHASE ID	CUSTOMER CODE
0.0000		0.00	\$958.12		

TOTAL ACTIVITY FOR CARDHOLDER \$2,710.58

R090

## OFFICE TOTAL

USB R090 PROC 405501 CTR 405501  
 JOB: T2CDVSDI PV1016  
 LEVEL 1: 4055 LEVEL 2: 01 LEVEL 3: 99 LEVEL 4: 9999  
 APPROVING OFFICIAL ACCOUNT NUMBER: 4055-0199-9999-9999 OFFICE LIMIT \$70,000.00

I.M.P.A.C. DETAIL INVOICE AND  
 A/O SUMMARY

DATE: 04/22/01 PAGE  
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### OFFICE TOTALS WITH ALL FEES

TOTAL NUMBER OF ACCTS FOR CYCLE WITH ACTIVITY	4
TOTAL NUMBER OF ALL CARDHOLDER ACCOUNTS	4
TOTAL NUMBER OF PURCHASES FOR OFFICE	26
TOTAL AMOUNT OF PURCHASES FOR OFFICE	9,240.32
TOTAL NUMBER OF CASH ADVANCES FOR OFFICE	0
TOTAL AMOUNT OF CASH ADVANCES FOR OFFICE	0.00
TOTAL NUMBER OF IMPAC CHECKS FOR OFFICE	0
TOTAL AMOUNT OF IMPAC CHECKS FOR OFFICE	0.00
TOTAL NUMBER OF CHECK FEES FOR OFFICE	0
TOTAL AMOUNT OF CHECK FEES FOR OFFICE	0.00
TOTAL NUMBER OF ADMIN. FEES FOR OFFICE	4
TOTAL AMOUNT OF ADMIN. FEES FOR OFFICE	0.00
TOTAL AMOUNT OF OTHER FEES FOR OFFICE	0.00

OFFICE TOTAL \$9,240.32

R090



the Approving Official, you should verify the transactions and disputes are valid and agree with internal purchasing procedures for your agency

- Signing each Cardholder Statement of Account, as required by your agency procedures and noting any adjustment on the R090
- Promptly delivering the completed statements with necessary attachments and your R090 Approving Official Summary to the Designated Billing Office, as required by your agency procedures

Should you not receive a Cardholder Statement of Account, it is your responsibility to contact the Cardholder. However, if a Cardholder had no CAL-Card purchase activity for that billing cycle, no Cardholder Statement of Account will be generated, unless adjustments for previously billed transactions are processed during that cycle.

It is recommended that each agency designate specific timeframes in which to complete the reconciliation process.

## Approval Process and Authorized Uses

The approval process for the transactions your Cardholders make using the CAL-Card is not completely defined in this document, as your agency policy dictates the specifics of your CAL-Card program.

You have been designated an Approving Official because of your knowledge of the responsibilities of the Cardholders in your group. You are required to re-examine each Cardholder statement and determine whether items purchased were for official use and made in accordance with agency policy.

The CAL-Card Program prohibits the purchase of certain items:

- Airphone
- Wire Transfer, Money Orders
- Direct Marketing Insurance Services
- Financial Institutions: Manual Cash Advances
- Financial Institutions: Automatic Cash Advances
- Non-Financial Institutions: Foreign Currency, Money Order, Travelers Checks
- Security Brokers/Dealers
- Savings Bonds
- Timeshares
- Betting, Casino Gaming Chips, Off-Track Betting
- Political Organizations
- Court Costs, Alimony, Child Support
- Fines
- Bail and Bond Payments
- Tax Payments
- Government Loan Payments

Agency policies and regulations may further restrict types of authorized CAL-Card purchases. If for any reason you question a purchase(s), it is your responsibility to talk with the Cardholder. Your agency is responsible for developing a policy, in compliance with the terms of the Master Service Agreement,

which addresses unauthorized purchases. The responsibility for resolving and imposing penalties for improper use of the CAL-Card falls within the authority of your agency.

## Disputed Transactions

If items purchased with the CAL-Card are found defective, or a repair or services faulty, the Cardholder has the responsibility to return the item(s) to the merchant for replacement, or to receive a credit on the purchase. If the merchant refuses to replace or correct the faulty item, the purchase of this item will be considered to be in dispute.

The Cardholder must then complete and sign a "Cardholder Statement of Questioned Item" form for each disputed item and attach supporting documentation, if necessary and applicable. Supporting documentation may include postal receipts for returned merchandise, credit vouchers, or the front and back of a canceled check for proof of payment by another means.

The Cardholder must return the signed Cardholder Statement of Questioned Item (CSQI) form and all supporting documentation to U.S. Bank Government Services within 60 days of the date on the statement on which the transaction appeared. A photocopy of these documents should be attached to the Cardholder's Statement of Account prior to forwarding it to you for the monthly verification/signature process.

The Cardholder will receive acknowledgement from U.S. Bank Government Services for formally submitted CSQI forms. It is the Cardholder's responsibility to ensure the CSQI is received by U.S. Bank.

### **The Cardholder signature is required on the Cardholder Statement of Question Item form.**

Each month the Designated Billing Office will receive an F107 Disputed Transaction Report listing all disputed transactions. This report also lists disputes resolved during the prior cycle period, which will require authorization by the Cardholder and Approving Official to the Designated Billing Office for payment or to apply a credit to the invoice in which the original payment amount was withheld.

It is essential that the time frames and documentation requirements established by your agency procedures and this contract be followed to protect the Cardholder's rights in a dispute. If you have any questions regarding the information on the Cardholder Statement of Questioned Item form, or if you have any problems regarding the reversal of a transaction, please contact the U.S. Bank Government Services.

Thank you for taking the time to review this guide. Again, note that the information contained in this guide is a general overview of the CAL-Card Program. Refer to your agency's policy and procedures for specific information. Should you have questions, feel free to contact your Agency Program Coordinator or Customer Service at (800) 227-6736.





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